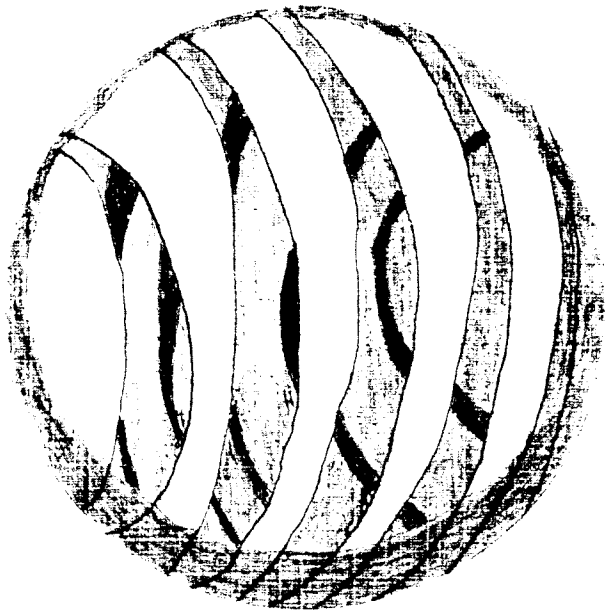


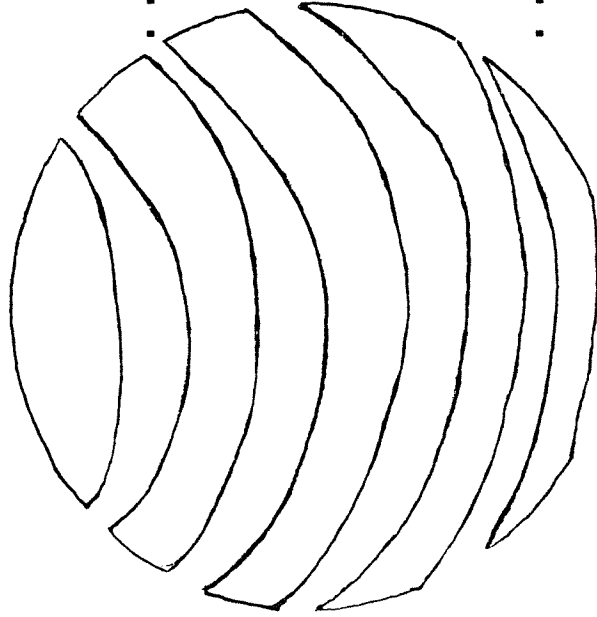
MTA Testimony
By David Bertram
House Energy & Technology Committee
June 7, 2006

HB 5895

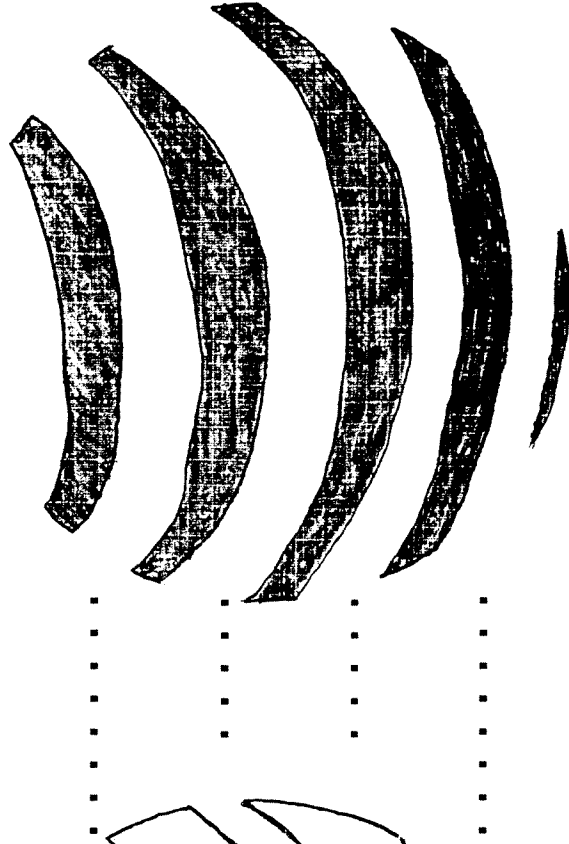
1. General Statement
 - a. Legislation allows providers pick and choose where they want to serve
 - b. Local franchises guarantee service/legislation does not
2. Reasons Legislation is Unnecessary
 - a. AT&T is now negotiating local franchises with communities in Michigan
 - b. Cable is regulated through federal laws with local franchising – legislation creates a new layer of government by involving state government
 - c. Cable regulation belongs at the federal level
 - d. Explanation of fair competition
3. Why Local franchising is Necessary
 - a. Securing service for residents and businesses (including broadband) – Build out is determined through local franchising
 - b. Addressing how public rights-of-way are managed and maintained
 - c. Negotiating local franchise fee structure
 - d. Determining how public access channels are handled in community
4. Activity by Township Officials
 - a. Inviting AT&T to come into our townships
 - b. Getting service to Michigan
5. Conclusion
 - a. Legislation will create small pockets of competition in high value areas only
 - b. The legislation creates a competitive advantage for one company
 - c. There is competition today but it has not dropped prices



Your world.
Divided.



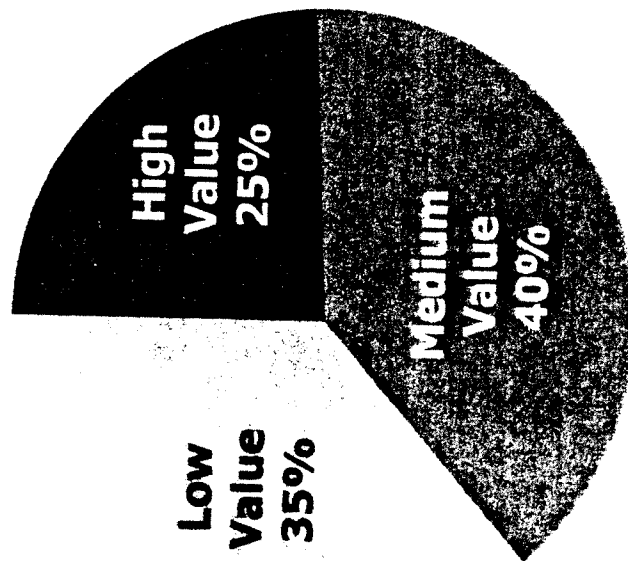
53% targeted for service



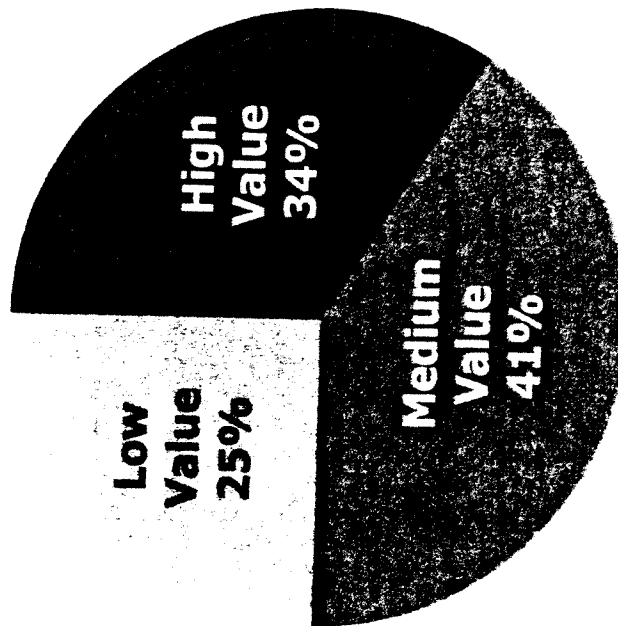
47% not targeted

High-Value Customers

Total Customer
Household Segmentation

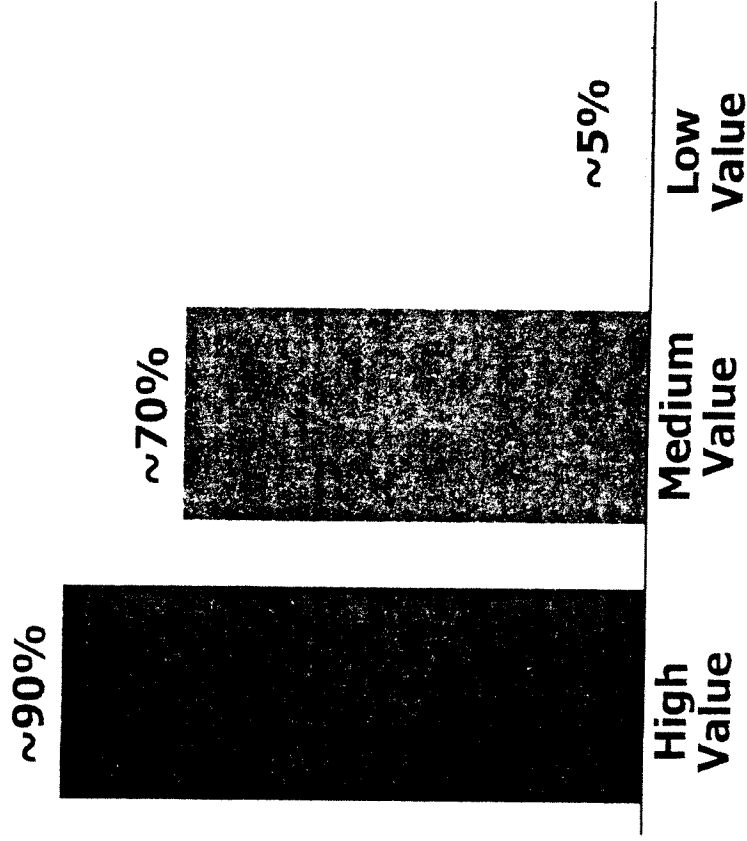


% of Customer \$ Spend
Attributed to Each Segment



High-Value Customer Coverage

Percent of Each Segment Covered by Project Lightspeed



- FTTN is **efficient** in how it can be deployed
- Lightspeed deployment will cover approximately **90%** of high-value and **70%** of medium-value customers